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THE Tobacco SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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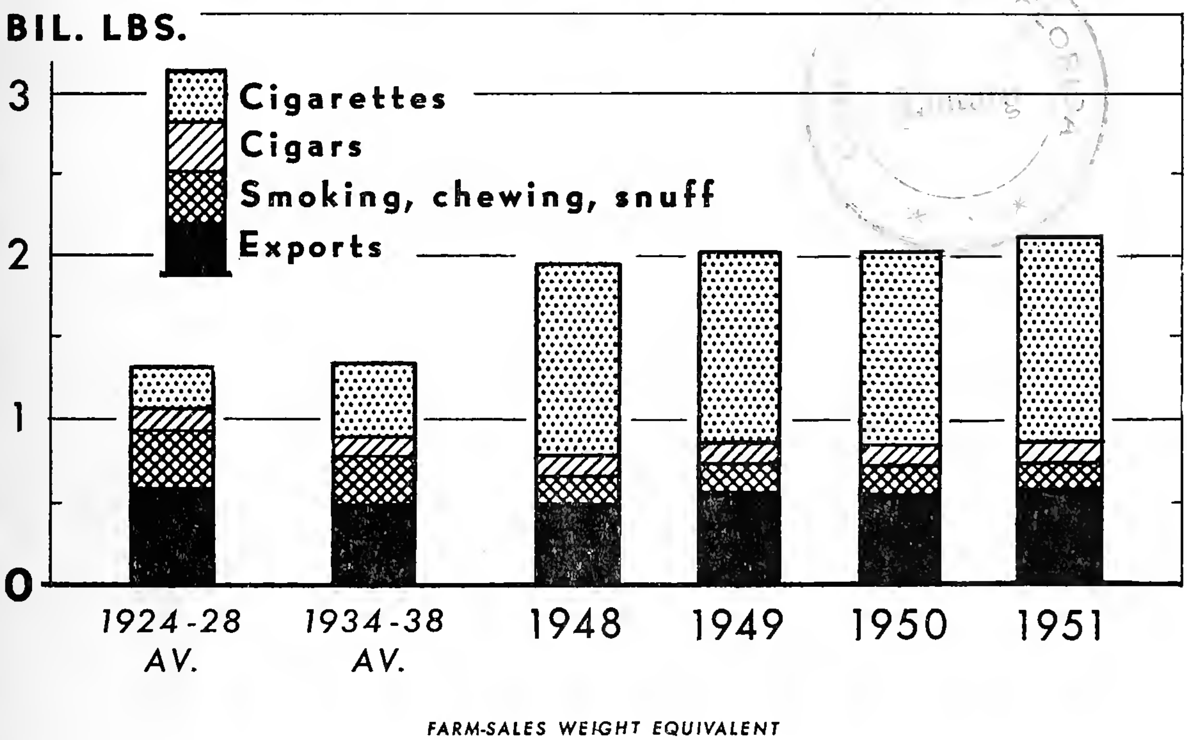
OUTLETS FOR U. S. TOBACCO



U. S. DEPARTMENT OF AGRICULTURE NEG. 47415-XX BUREAU OF AGRICULTURAL ECONOMICS

In the past decade, cigarettes have definitely surpassed leaf exports as the most important outlet for United States tobacco. The record quantity, 1 1/4 billion pounds, used in cigarette manufacture this year will account for 60 percent of total disappearance. Cigarettes took 33 percent in 1934-38 and 20 percent in 1924-28. Exports at 570 million pounds (farm-sales weight) will account for 27 percent of the total. They took 36 and 45, respectively, in the earlier periods and were the largest single outlet. Cigars took more than last year, slightly more than in the late thirties, but somewhat less than the late twenties. Far less domestic leaf is going into chewing and smoking tobacco than in the earlier periods but the amount has been nearly the same in the last 3 or 4 years. Snuff has been relatively stable for many years.

Next year cigarettes are likely to take even more, cigars may take slightly more, but little change is expected in other tobacco products. The 1952 exports of leaf are not expected to exceed the 1951 level.

STATISTICAL SUMMARY

Item	Unit or base period	1950 June	1950 July	1950 Aug.	1950 Sept.	1951 June	1951 July	1951 Aug.	1951 Sept.	Last data available as percentage of a year earlier
Prices received at auctions										
Flue-cured	Cents per lb.	1/	51.6	54.4	55.5	1/	51.0	48.6	50.5	91
Maryland	Cents per lb.	49.0	45.8	42.0	1/	49.4	48.3	41.3	1/	98
Parity prices										
Flue-cured	Cents per lb.	50.0	50.2	50.6	50.8	56.3	56.1	56.1	56.1	110
Burley	Cents per lb.	50.0	50.2	50.6	50.8	55.5	55.3	55.3	55.3	109
Maryland	Cents per lb.	55.6	55.8	56.2	56.5	60.8	60.6	60.6	60.6	107
Fire-cured	Cents per lb.	29.8	30.0	30.2	30.3	33.7	33.6	33.6	33.6	111
Dark air-cured (35-36)	Cents per lb.	26.8	26.9	27.1	27.2	29.7	29.6	29.6	29.6	109
Virginia sun-cured (37)	Cents per lb.	33.7	33.8	34.1	34.2	37.6	37.5	37.5	37.5	110
Index of prices paid, int., taxes, and wage rates	1910-14=100	254	257	257	260	282	282	282	282	109
Tax-paid Withdrawals										
Cigarettes, small	Billion	33	28	39	31	32	30	37	31	100
Cigars, large 2/	Million	471	401	587	504	503	422	534	491	97
Chewing and Smoking	Mil. lb.	16	14	19	18	16	12	19	17	94
Snuff	Mil. lb.	3.9	2.4	4.5	3.2	3.1	4.0	2.1	2.9	91
Accumulated since Jan. 1										
Cigarettes, small	Billion	178	206	246	276	187	217	254	285	103
Cigars, large 2/	Million	2,573	2,973	3,561	4,064	2,775	3,197	3,730	4,221	104
Chewing and Smoking	Mil. lb.	96	109	128	146	93	105	124	141	97
Snuff	Mil. lb.	20	23	27	30	20	24	26	29	97
Cigarettes, tax-free	Billion	3	3	4	3	3	2	3		75
Accumulated since Jan. 1										
Tax-free	Billion	13	16	20	23	20	22	26		130
Tax-paid plus tax-free	Billion	192	222	266	299	207	239	280		105
Stocks, beginning of quarter (farm-sales weight)										
Flue-cured	Mil. lb.		1,484				1,558			105
Burley	Mil. lb.		1,152				1,120			97
Maryland	Mil. lb.		53				52			98
Fire-cured	Mil. lb.		180				160			89
Dark air-cured	Mil. lb.		88				80			91
Cigar, filler 2/	Mil. lb.		218				226			104
Cigar, binder	Mil. lb.		147				156			106
Cigar, wrapper	Mil. lb.		19				20			105
Exports (farm-sales wt.)										
Flue-cured	Mil. lb.	14.0	19.4	44.1	71.8	19.4	23.1	47.8		108
Burley	Mil. lb.	5.9	2.3	5.8	5.6	2.1	.8	2.7		47
Maryland	Mil. lb.	.5	.3	.4	.7	1.3	.2	.5		125
Fire-cured	Mil. lb.	2.9	4.1	1.8	2.3	4.7	2.2	1.2		67
Dark air-cured	Mil. lb.	.4	.4	.3	.7	1.9	.4	.7		233
Cigar	Mil. lb.	1.4	.6	.8	1.9	.7	.5	.9		112
Accumulated since beginning of crop year										
Flue-cured	Mil. lb.	446.2	3/ 19.4	63.4	135.3	433.0	3/ 23.1	71.0		112
Burley	Mil. lb.	27.3	29.5	35.3	40.9	24.4	25.2	27.9		79
Maryland	Mil. lb.	6.0	6.3	6.7	7.4	7.0	7.2	7.7		115
Fire-cured	Mil. lb.	21.0	25.0	26.8	29.1	33.7	35.9	37.0		138
Dark air-cured	Mil. lb.	4.8	5.2	5.5	6.2	7.1	7.5	8.3		151
Cigar	Mil. lb.	7.6	8.2	9.0	10.9	4.6	5.1	6.0		67
Personal income 4/	Bil. dol.	219	223	223	229	251	252	254		114
Index of industrial production 5/	1935-39=100	200	198	210	216	223	215	221		105
Percent labor force employed	Monthly	94.8	95.0	96.1	96.3	96.9	97.1	97.5	97.5	101

1/ Closed. 2/ Includes Puerto Rico. 3/ Beginning of crop year. 4/ Seasonally adjusted monthly totals at annual rate.
5/ Unadjusted.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board October 24, 1951

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SUMMARY

Demand for the 1952 tobacco crop is likely to be generally strong and prices to growers are likely to be about the same or perhaps a little higher than in the last year or two. However, farmers' costs probably will rise further during 1952.

Strong domestic demand for most leaf tobacco is expected because output and consumption of tobacco products next year will be at or above 1951 levels. Cigarette output in 1952 probably will exceed the record of 412 billion estimated for 1951. The 1951 output is 20 billion larger than in 1950. This year, about 373 billion cigarettes will be smoked in this country and nearly all of the remainder will go to overseas forces and as exports to foreign countries. Consumption in the United States went up about 4 percent, shipments to overseas forces were up sharply, and exports have been larger. Smokers in this country will be paying about 5 percent more per pack in 1952 as a result of the recent increase in the Federal excise tax.

Cigar consumption in 1952 is expected to rise a little further. Estimated cigar consumption in 1951 is about 5.8 billion--a gain of 5 percent over the 5.5 billion in 1950.

The 1952 output of smoking tobacco is expected to be practically the same as that of 1951, which is estimated at 106 million pounds. The 1950 output was a little less than 108 million pounds.

The 1952 output of chewing tobacco is expected to be about as large or slightly larger than that of 1951, which is estimated at 87 million pounds and compares with 87 1/2 million in 1950.

The 1952 output of snuff also should approximate or slightly exceed the 40 million pounds estimated for 1951. Snuff manufacture has been relatively close to 40 million pounds in each of the last 6 years.

Taxes on smoking tobacco, chewing tobacco, and snuff have been reduced and unless offset by increases of other kinds, should result in some lowering of wholesale and retail prices for these products in 1952.

Foreign demand for United States tobacco probably will be fairly active in calendar 1952. Exports during the fiscal year 1951-52 are expected to be moderately larger than in fiscal 1950-51. However, exports of leaf tobacco in the last half of 1952 may not equal those in the last half of this year; and for the calendar year 1952, total exports are not likely to exceed this year's level. Leaf exports this calendar year are expected to top 500 million pounds (declared weight) and be the highest since the unusually large total of 1946. The 1950 figure was 478 million pounds. Total gold and dollar holdings abroad in mid-1951 were about one-fifth higher than in mid-1950, but in recent months, the sterling area suffered a sharp decline in its holdings of gold and dollars. In the last several years, tobacco production has been expanding in other areas of the world. This was stimulated by the higher prices of recent years, governmental guarantees of various kinds, and the shortage of dollar exchange abroad.

This year's flue-cured crop, according to the October estimate, is the largest on record. Added to the carry-over, it will provide a total supply for 1951-52 that is 8 percent above last year's. Total disappearance in the year ending next June probably will be 5 or 6 percent larger than in 1950-51 because of record domestic use and higher exports. The 1951 marketings are well along, and the average price for the crop seems likely to be about 52 cents per pound compared with the record 54.7 cents for the 1950 crop. Most higher quality grades brought prices above last season's but the lower prices for the larger than usual quantities in the lower quality grades pulled down the general price average. With the grade distribution more nearly normal in 1952, growers may receive a higher average price than in the 1951 season. Since price support at 90 percent of parity is required, it seems probable that the 1952 price support level for flue-cured will be 50 cents or above--only slightly different from this year's level.

Burley production this year is about 14 percent larger than in 1950, and this increase will more than offset the drop in carry-over, so that the 1951-52 total supply will be a little above that of 1950-51. The total disappearance of Burley in the year ending next September 30 will be up some--mainly reflecting the larger quantity going into cigarettes. Burley is also used in smoking and chewing tobacco and 6 to 8 percent is exported as leaf. The 1951 crop marketings will begin around December 1, and the average price for the crop is likely to be above last season's. The 1951 crop price support for Burley is 9 percent above the 1950 crop support. This was primarily due to the rise in the parity index (prices paid by farmers, interest, taxes, and wage rates).

The total supply of Maryland tobacco for 1951-52 is about 7 percent higher than for 1950-51 and above any previous year's. Although the supply

is large, the average price for the 1951 crop to be marketed next spring and summer may not be much different than in the last season because demand should be quite strong and the crop is expected to be of better quality. Government price supports cannot be made available on the 1951 crop because growers disapproved a marketing quota for the crop.

In the near future, producers of Maryland tobacco, fire-cured tobacco, dark air-cured tobacco (types 35-36), cigar filler (type 41), and cigar filler and binder (types 42-44 and 51-55) will vote on the quotas for the 1952 crops of these kinds of tobacco. The Secretary of Agriculture, as required by law, will announce the marketing quotas for the various kinds of tobacco not later than December 1. Growers then will decide to approve marketing quotas on their kind of tobacco for 3 years, 1 year, or to reject a marketing quota on the 1952 crop. Approval by a two-thirds majority of the growers voting is necessary to make a quota effective. When quotas are in effect, price support at 90 percent of parity is mandatory.

Estimated supplies of fire-cured and dark air-cured tobacco for 1951-52 are moderately lower than in 1950-51. The 1951 crop price support levels for these types are higher than a year ago. In the past year, exports of most of these types were above those of a year earlier. The main domestic outlet of fire-cured is snuff and, of dark air-cured is chewing tobacco.

The 1951-52 total supplies of cigar filler and domestic cigar wrapper will each be a little larger than in 1950-51 but binder supplies will be a little smaller. Total disappearance of cigar tobacco in the year ahead probably will be as high or slightly higher than in the past year. Cigar output in the recent 12 months was 5 percent above the preceding year. The 1951 price supports which apply to cigar filler and binder types 42-44 and 51-55 range from 9 to about 13 percent higher than last season's supports. The 1951 price support on Puerto Rican tobacco type 46 is 12 percent above last season. Price support cannot be made available on Pennsylvania filler in the 1951 season because growers disapproved a marketing quota on the 1951 crop.

TOBACCO PRODUCTS

Cigarettes

Cigarette output and consumption in the United States in 1952 seem likely to exceed this year's record. Employment and income, already high, are expected to be even higher during 1952. Consumer demand for cigarettes will remain strong, but smokers will be paying about 5 percent more per pack as the result of the increase in the excise tax.

It is estimated that total cigarette output in 1951 will be about 412 billion--20 billion or 5 percent above that of 1950. Domestic consumption this year will probably be near 373 billion compared with 360 billion in 1950. The rate of gain in domestic consumption between 1950 and 1951 is about 3.6 percent compared with 2.3 percent between 1949 and 1950 and 0.9 percent between 1948 and 1949. While an increase in cigarette consumption is likely to occur between 1951 and 1952, the rate of increase will probably be less than in the past year. Cigarettes will cost more. The 1951 Revenue Act provides

Table 1.- Cigarettes: Total output, domestic consumption, and exports, for specified periods

Period	Total output	Domestic 1/ consumption	Tax-free uses 2/ Total	Tax-free uses 2/ Exports
	Billion	Billion	Billion	Billion
Average:				
1925-29	101.0	98.2	2.9	9.0
1935-39	164.2	157.0	7.2	5.5
1940-44	256.9	223.5	33.3	5.8
1945	332.2	267.2	65.0	6.9
1946	350.0	321.7	30.7	24.1
1947	369.7	335.4	34.3	22.8
1948	386.8	348.5	38.7	25.2
1949	385.0	351.8	33.2	19.5
1950 3/	392.0	360.2	31.8	14.4
1951 4/	412.0	373.0	39.0	16.0

1/ As indicated by tax-paid removals.
2/ In addition to exports, tax-free uses include principally shipments to forces overseas, to United States possessions, and ships' stores.
3/ Preliminary.
4/ Estimated.

for raising the Federal excise on cigarettes from 7 cents to 8 cents per package. This becomes effective November 1, 1951, and will continue in effect until April 1, 1954. Then it will revert to 7 cents according to the 1951 legislation. Retail prices of cigarettes also reflect changes in State tax rates on cigarettes. Since September 1950, 5 States have increased taxes on cigarettes and 1 State not previously taxing cigarettes levied such a tax. Forty-one States now have cigarette taxes and a few, in addition to those above, have had proposals for increases in the rates. In the 1951 fiscal year, a record 430 million dollars of State taxes was collected on tobacco products (mostly cigarettes). Federal taxes on cigarettes in the 1951 fiscal year totaled 1,294 million dollars--the largest in history.

Although smokers in the United States consumed the preponderant share of the cigarette output of this country in 1951, a substantial number went for overseas use by the armed forces, as exports to foreign countries, as shipments to United States possessions, and for ships' stores. All of these are included in the tax-free category, which will probably be close to 39 billion this year--7 billion more than in 1950. The much heavier shipments to overseas forces than those in the period prior to the Korean war is the major reason for the increase in tax-free cigarettes. Cigarette exports to foreign countries after reaching a peak in 1948 declined through 1950 but during the first two-thirds of 1951, were running 10 percent ahead of the exports in the same period a year earlier. From 1946 through 1949, the Philippine Republic took over 40 percent of the total

cigarette exports from the United States. In the last 2 years, they sharply curtailed these cigarette imports and expanded their own manufacture. The 10 leading foreign outlets for United States cigarettes shown in table 2 took about two-thirds of the total exports and the other one-third went to approximately 90 other widely scattered destinations.

Table 2.- Cigarette exports from the United States, average 1934-38 annual 1949-50; and January-August 1950-51 with percentages

Country	1934-38	1949 1/	1950 1/	January-August 1950 1/	January-August 1951 1/	1951 as percentage of 1950
	Million	Million	Million	Million	Million	Percent
Tangier-Fr. Morocco	12	1,223	1,393	1,066	1,207	113
Venezuela	39	879	1,055	620	1,108	179
Philippines, Rep. of	2,544	7,422	1,527	1,058	839	79
Hong Kong	22	983	1,144	807	749	93
British Malaya	3	90	434	263	684	260
Belgium	63	764	950	717	599	84
Switzerland	16	680	513	347	590	170
France	307	11	295	216	517	239
Netherlands Antilles	105	1,291	968	770	505	66
Panama-Canal Zone	389	618	616	414	437	106
Other countries	1,270	5,586	5,413	3,691	3,749	102
Total all countries	4,770	19,547	14,308	9,969	10,984	110

1/ Preliminary.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

Cigars

United States cigar consumption in 1952 is expected to gain a little over 1951, mainly because of the further prospective increase in consumer income. The estimated cigar consumption for 1951 is about 5.8 billion--a gain of 5 percent over the 5.5 billion in 1950 and 7 percent above the 1935-39 average. The 1951 estimate includes 75 to 100 million tax-free cigars, most of which went to the overseas forces. Since the prewar period, United States cigar consumption has increased much less than male employment (now about 20 percent higher than in 1940) and also far less than income.

The great bulk of the cigars consumed by United States smokers are produced in domestic factories; and the other principal sources, which will account for only 3 to 4 percent, are bonded manufacturing warehouses and imports, mainly from Cuba. Domestic factories are expected to produce 5.6 or 5.7 billion this year compared with 5.4 billion in 1950. This will

be the second or third largest in the past 20 years and about 12 percent higher than the 1935-39 average. Prior to World War II, a total of about 200 to 300 million cigars were shipped to the United States from the Philippines and Puerto Rico. During World War II, those from the Philippines were cut off. But Puerto Rican cigar shipments spurted in 1944-46 after declining sharply in the late 1930's and early 1940's. In recent years, cigars from both the Philippines and Puerto Rico have been negligible.

Table 3.- Cigars: Total output and consumption by retail price groups for specified periods

Period	Total output 1/	Consumption 2/							
		8 cents or less		8.1 to 15.0 cents		15.1 cents or more		Total	
	Bil.	Bil.	Pct.	Bil.	Pct.	Bil.	Pct.	Bil.	Pct.
Average:									
1925-29	6.5	4.2	60.9	2.5	36.2	0.2	2.9	6.9	100.0
1935-39	5.1	4.8	89.6	.5	9.6	3/	.8	5.4	100.0
1940-44	5.6	4.6	82.1	.9	16.1	.1	1.8	5.6	100.0
1945	5.4	3.1	62.0	1.6	32.0	.3	6.0	5.0	100.0
1946	5.7	3.1	52.5	2.4	40.7	.4	6.8	5.9	100.0
1947	5.6	2.2	39.3	3.1	55.4	.3	5.3	5.6	100.0
1948	5.8	2.5	43.1	3.0	51.7	.3	5.2	5.8	100.0
1949	5.6	2.7	48.2	2.6	46.4	.3	5.4	5.6	100.0
1950 4/	5.5	2.7	49.1	2.5	45.5	.3	5.4	5.5	100.0
1951 5/	5.8	2.8	49.6	2.6	45.2	.3	5.2	5.7	100.0

1/ Manufactured in domestic and bonded factories. 2/ As indicated by tax-paid withdrawals which include imports from the Philippines and Cuba, shipments from Puerto Rico, and cigars from bonded manufacturing warehouses. Tax-free categories not included. 3/ Less than 50,000. 4/ Preliminary. 5/ Estimated.

During 1951, the number of cigars selling for 8 cents or less is estimated to comprise about one-half of the total. The increase over last year in the number of cigars in this price bracket probably has been due in part to the increase in cigarillos--a small thin cigar usually selling at 5 cents apiece. The number of cigars within the 8.1- to 15-cent group also will be a little larger than in 1950.

Smoking Tobacco

The 1952 output of smoking tobacco is expected to be practically the same as that of 1951 which is estimated at approximately 106 million pounds. The 1951 estimate is slightly lower than the 107.7 million pounds produced in 1950. Tax-paid consumption probably will be about 102 million pounds while exports and overseas shipments will account for most of the remaining 4 million pounds. Both exports and shipments to overseas forces were higher in January-August 1951 than in the same period a year earlier while domestic consumption was a little lower.

When employment and incomes are at high levels, there is a tendency for smokers to smoke more cigarettes and cigars and use less packaged smoking tobacco. In pre-World War II years when employment and incomes were substantially less, nearly twice as much smoking tobacco was consumed as this year.

The Bureau of Labor Statistics index of wholesale prices for smoking tobacco in September 1951 was about 3 percent above its pre-Korean level and 12 percent above the 1946 average. The Revenue Act of 1951 provides for a reduction from 18 to 10 cents per pound in the Federal excise on smoking tobacco. The smaller tax should mean a reduction of about 7 percent in the average wholesale price of smoking tobacco. The 18-cent tax rate on smoking tobacco has been in effect since early 1919. The 10-cent rate becomes effective November 1 of this year.

Smoking tobacco is used in pipes and hand-rolled cigarettes. In January-August 1951, tax-paid withdrawals of cigarette papers averaged about 9 percent higher than in January-August 1950. However, tax-paid papers probably equaled only about one-third of the tax-free number, which were given away with purchases of tobacco. Data on tax-free cigarette papers for recent months are not available. In the 1950 fiscal year (most recent data available), free cigarette papers declined about 4 1/2 percent from the previous year and were more than 75 percent below the 1935-39 average.

Table 4.- Output of manufactured tobacco in the United States for specified periods

Period	Smoking 1/	Chewing: Plug	Chewing: Twist	Chewing: Fine-cut	Chewing: Scrap 1/	Chewing: Total	Snuff
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average:							
1925-29	161.1	104.5	8.8	6.2	77.4	196.9	39.6
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951 2/	106.0	39.5	5.2	2.8	39.5	87.0	40.0

1/ Breakdown of smoking and scrap prior to 1931 is estimated.
2/ Estimated.

Bureau of Agricultural Economics. Compiled from reports of the Bureau of Internal Revenue.

Chewing Tobacco

The 1952 output of chewing tobacco is expected to be about as large or slightly larger than that of 1951 which is estimated at near 87 million pounds. The 1950 figure was 87 1/2 million pounds. The 1951 tax-paid consumption probably will be over 85 million pounds and tax-free exports and shipments will account for practically all of the remainder. The 1951 output will be composed of approximately 39 to 40 million pounds each for plug and scrap chewing and around 5 and 3 million pounds, respectively, for twist and fine-cut. During the first two-thirds of 1951, the tax-free removals of plug and scrap increased sharply over those of the same period a year earlier but were still small relative to the tax-paid quantities. Tax-free twist declined. Chewing tobacco has trended downward for many years except for the 18 percent increase between 1940 to 1944. In those years, chewing tobacco consumption in war plants where smoking was restricted is believed to have contributed to that increase. During the past year, however, the increased employment in defense plants seems to have had little effect on the consumption of chewing tobacco.

The BLS index of wholesale prices for chewing tobacco in September 1951 was the same as it has been each month since October 1946. In the fall of 1946, this index rose by around 8 percent. The Revenue Act of 1951 provides for a reduction from 18 cents to 10 cents per pound in the Federal excise on chewing tobacco. The smaller tax should mean a reduction of approximately 10 percent in the average wholesale price of chewing tobacco. The new 10-cent rate becomes effective November 1, 1951. The 18-cent tax rate on chewing tobacco has been in effect since early 1919. From 1910 till late 1917, the rate was 8 cents and from late 1917 to 1919, it was 13 cents. During the 1910-17 period, chewing tobacco consumption reached its peak. It was about 3 times that of recent years, although the male population then was only about two-thirds of the present figure.

The lower tax rate on chewing tobacco probably will not have much effect on chewing tobacco consumption.

Snuff

The 1952 output of snuff is likely to be about as large or perhaps slightly larger than this year's. The 1951 manufacture is estimated at around 40 million pounds or very close to the 1950 figure. Practically all snuff is consumed domestically, mainly in the southeast and south central United States and in the lumbering areas of the northwest. Higher employment and income levels probably have held consumption of recent years 5 to 10 percent above the 1935-39 average but in general, snuff has been relatively stable for many years.

The BLS index of wholesale prices for dry, sweet snuff rose nearly 9 percent in late 1950 but since then, was unchanged through September 1951. The advance in this index since late 1946 is about 50 percent. The Revenue Act of 1951 provides for a reduction from 18 cents to 10 cents per pound in the excise on snuff. The smaller tax should mean a reduction of around 7 percent in the average wholesale price of snuff. The 18-cent tax rate, as in the cases of smoking and chewing tobacco, has been in effect since early 1919 and the new 10-cent rate becomes effective November 1 of this year.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

United States exports of unmanufactured tobacco in 1952 are not likely to exceed the 1951 level. It is estimated that the 1951 exports will total something over 500 million pounds compared with 478 million in 1950. During the first two-thirds of the current year, United States tobacco exports totaled 238 million pounds, the same as in the corresponding period of 1950. Tobacco shipments will be heavy during the last 4 months of the year as purchases from this season's flue-cured move out.

Next year's export demand for tobacco seems likely to be fairly firm. The foreign requirements, especially for cigarette tobacco, continue to increase as cigarette consumption trends upward. Stocks of United States tobacco abroad, which were generally low, will be raised to some extent out of this year's crop but will still remain fairly low in relation to consumption levels. Exports to some countries will be favored by their improved gold and dollar position. In mid-1951, gold and dollar holdings abroad were substantially higher than in mid-1950. However, the sterling area suffered a sharp decline in gold and dollar holdings during the third quarter of 1951. The United Kingdom is the hub of the sterling countries and also the most important single foreign outlet for United States tobacco. A continuation of this drain on gold and dollars may require tighter restrictions on some dollar imports. Prices of goods imported by the United Kingdom and some other western European countries have risen more than prices of the goods they exported. These disparities should tend to lessen to some extent in the next several months. However, if serious new international frictions arise, price relationships may again be affected. Several western European countries will be placing greater emphasis on imports contributing to military preparedness programs. Economic aid, such as was extended under the ECA, will be smaller than in recent years. Although some factors which influence the United States tobacco trade appear to be less favorable than in the last year or two, tobacco is regarded as an important item of consumption in many countries that are unable to produce their own supplies or at best can grow only a fraction thereof, and they will strive to maintain their tobacco imports. Not the least important is the fact that tobacco contributes very heavily to governmental revenues in many countries.

Expansion of tobacco production in other areas of the world has been taking place under the stimulus of high prices and governmental guarantees of various kinds. Also, the shortage of dollar exchange abroad, particularly in the late 1940's, gave impetus to increased production in either the countries themselves where it was possible or in the sterling and other non-dollar areas. Among European countries, preliminary estimates indicated the French crop would be more than 40 percent above the 1935-39 average though a little smaller than in 1950. Italy's production is well above prewar. Greece had larger acreages in 1950 and 1951 than the prewar average. Turkish production in 1951 is indicated as being close to that of 1950 which was 46 percent above the 1935-39 average.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 5.- United States exports of unmanufactured tobacco, to principal importing countries, by types, for specified periods

(Declared weight)

Country and type	Average 1924-28	Average 1934-38	1949 1/	1950 1/	January-August Average 1934-38	January-August 1950 1/	January-August 1951 1/	1951 as percentage of 1950
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	2/324.0	324.9	379.9	383.9	139.4	177.6	179.0	101
Burley	8.9	11.6	35.1	37.6	8.0	24.7	16.3	66
Maryland	14.3	5.5	7.9	6.7	4.0	4.3	5.6	130
Va. fire-cured	22.6	9.7	4.7	5.8	6.3	4.9	2.5	51
Ky. & Tenn. "	2/126.6	53.7	28.5	24.0	39.6	16.4	21.9	134
One Sucker	3/	.7	6.6	2.0	.4	1.1	1.6	145
Green River	15.8	3.0	3.2	1.2	2.6	.5	1.6	320
Black Fat, etc.	2/2.0	9.0	4.8	3.6	5.9	2.1	2.8	133
Cigar	.8	1.3	22.3	7.3	.6	4.4	4.2	95
Perique	2/.1	.1	.1	.1	.1	3/	3/	---
Stems, trimmings, and scrap	12.0	17.8	5.1	5.4	9.6	2.0	2.5	125
Total	527.1	437.3	498.2	477.6	216.5	238.0	238.0	100
Country of destination								
United Kingdom	164.8	213.9	167.4	133.1	72.9	23.7	48.4	204
France	34.6	21.0	15.8	8.5	19.7	6.3	7.7	122
Belgium	21.1	15.5	19.4	27.7	9.9	15.8	16.7	106
Netherlands	31.5	15.6	32.5	32.2	9.1	21.4	19.7	92
Germany	34.0	12.8	87.1	81.8	8.0	53.5	29.1	54
Portugal	4.4	4.8	11.1	7.5	3.3	5.5	3.8	69
Denmark	5.2	4.6	11.4	14.8	2.4	9.8	6.0	61
Ireland	3.8	7.4	25.3	17.6	3.3	5.8	7.0	121
Switzerland	2.8	3.8	10.7	14.4	2.2	7.9	8.3	105
Norway	4.1	4.7	7.4	7.7	2.0	3.7	3.7	100
Sweden	4.7	7.2	5.8	13.7	2.2	4.9	8.7	178
Italy	7.8	1.1	2.5	2.6	.7	2.6	2.2	85
China	92.5	48.2	3.1	.3	29.3	.1	.0	---
Australia	21.5	18.4	19.6	18.1	13.1	7.1	11.3	159
India-Pakistan	5.4	2.6	7.2	5.2	1.7	3.6	5.0	139
New Zealand	.6	2.5	6.2	6.5	1.4	4.2	4.6	110
Philippine Rep.	.5	1.2	1.1	27.1	.8	25.3	5.8	23
Other countries	87.8	52.0	64.6	58.8	34.5	36.8	50.0	136
Total	527.1	437.3	498.2	477.6	216.5	238.0	238.0	100

1/ Preliminary.
2/ Partially estimated.
3/ Less than 50,000 pounds.

Among the principal flue-cured producing countries, Canada may have a record outturn this year. The Southern Rhodesian harvestings in their 1950-51 production year were 17 percent smaller than a year earlier although acreage was 13 percent larger and above any previous year. Drought sharply cut yields per acre, but even so, production was about 4 times the 1935-39 average. Southern Rhodesian auction sales started in mid-April and by late September, about 82 million pounds (over 90 percent of the total crop) had been sold at an average of 36.3 pence per pound (equivalent to United States 42.5 cents--conversion rate, $2.80 = 1 pound sterling). This was 6 percent less than in the same period of the preceding season. The flue-cured crop harvested in India in the spring of 1951 was over 10 percent larger than the previous one and more than 3 times as large as the pre-World War II average.

British Tobacco Situation

Tobacco consumption in Britain during the first 7 months of 1951 was 4 percent above that of the same period of 1950. A larger proportion of the total than a year earlier was Commonwealth tobacco. British home consumption of tobacco originating in non-Commonwealth areas (the great bulk of it, United States tobacco) comprised 59 percent of the total in January-July 1951 compared with 63 and 66 percent in the same periods of 1950 and 1949, respectively. In August, prices of some brands of cigarettes were increased by leading manufacturers by 1 pence (1.17 United States cents) per package of 20. A typical package in Britain would now cost a little over 50 United States cents, and approximately 78 percent of this is equivalent to the amount paid as duty when the leaf was imported.

British exports of manufactured tobacco (predominantly cigarettes) in January-August 1951 were about 13 percent larger than in the same period of 1950. Exports to Commonwealth countries accounted for over three-fourths of the total. Principal outlets for British-made cigarettes are Singapore, Malaya, Australia, Belgian Congo, Germany, Hong Kong, Gold Coast, and Anglo-Egyptian Sudan. These countries took 77 percent of the total in January-August 1951 while the other 23 percent went to a large number of destinations. A larger proportion of non-Commonwealth tobacco is used in the tobacco products exported from Britain than in those consumed at home but a decline in this percentage has also occured in recent years. In the first 7 months of 1951, the proportion was about 80 percent compared with 82 and 85 percent in the same periods of 1950 and 1949, respectively.

During the first 8 months of 1951, total imports of tobacco into Britain were practically the same as in January-August 1950, but a considerably larger share was flue-cured. Considerably more came from the United States than in January-August 1950. However, the major proportion of the large 1951 purchases in the United States will be brought into Britain in the last 4 months of this year. British imports from Southern Rhodesia were less--reflecting the smaller takings from the drought-reduced Rhodesian crop. During 1952 it is likely that more Southern Rhodesian and also Canadian tobacco will be available for import into Britain. The tobacco imports in January-August 1951 from Canada were up sharply from those in the same period of 1950 but those from India, Turkey, and Nyasaland were smaller.

Table 6.-United Kingdom tobacco: Stocks, imports, consumption, and exports, for specified periods

Period	Stocks Dec. 31	Imports 1/ Total	Imports 1/ From United States	Retained for home consumption: Non-preferential 2/	Retained for home consumption: Preferential 2/	Retained for home consumption: Total	Exports of manufactured tobacco	Reexports of unmanufactured tobacco
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average								
1934-38	497	275	213	132	39	171	39	12
1939	514	212	128	151	48	199	40	14
1940	328	141	59	141	50	191	30	2
1941	259	214	129	153	69	222	27	1
1942	238	265	180	157	76	233	17	2
1943	310	354	291	165	56	221	18	4
1944	243	230	180	173	47	220	18	1
1945	278	369	310	183	48	231	37	14
1946	383	433	366	193	55	248	55	7
1947	384	296	201	173	51	224	52	1
1948	390	281	172	153	61	214	45	1
1949	419	302	154	139	72	211	47	2
1950 3/	441	306	144	132	82	214	44	4
Jan.-Aug.								
1950	4/349	118	23	5/ 77	5/ 46	5/123	30	3
1951	4/366	118	35	5/ 75	5/ 53	5/128	34	5

1/ Unmanufactured tobacco - Imports of manufactured tobacco products have generally been small relative to imports of unmanufactured tobacco. 2/ Tobacco imported from nonpreferential areas comes in at full duty rate while that imported from preferential areas (Commonwealth origin) comes in at a lower rate of duty. At present, the preferential rate is only about 3 percent below the full duty rate, but from 1931 to 1939, it was over 20 percent below the full duty rate. 3/ Subject to revision. 4/ July 31. 5/ January-July.

Stocks of tobacco in Britain on July 31, 1951, totaled 366 million pounds - 5 percent higher than on July 31, 1950, but still well below those on that date in pre-World War II years. Britain's stocks of United States leaf prior to any 1951 crop shipments were very low even in relationship to the reduced consumption rate of United States leaf in the last year or two. The substantially increased purchases in the United States this year will help somewhat to rebuild stocks, but substantial purchases again next year would be necessary to bring British stocks of United States leaf into a more balanced relationship with factory usings.

IMPORTS AND UNITED STATES STOCKS OF FOREIGN GROWN TOBACCO 2/

Foreign grown tobacco is imported into the United States for blending with the domestic types in the manufacture, principally, of cigarettes

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 7.- United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Average 1924-28 1/	Average 1934-38	1949 2/	1950 2/	January-August Average 1934-38	January-August 1950	January-August 1951 2/	1951 as percentage of 1950
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Total imports 3/	78.3	66.3	87.9	90.0	44.8	60.8	66.5	109
Cigarette leaf								
Unstemmed	46.1	44.4	64.1	67.6	30.2	45.7	51.1	112
Turkey	13.1	18.2	45.1	48.2	12.2	32.9	36.0	109
Greece	20.1	18.8	9.9	9.5	13.0	6.2	8.1	131
Syria	.2	.5	3.8	3.8	.3	2.3	2.7	117
Bulgaria	.5	.6	1.5	1.3	4/	1.0	.4	40
U.S.S.R.	.0	.1	1.7	2.4	4/	1.5	1.9	127
So. Rhodesia	.0	4/	1.3	1.3	4/	.9	.4	44
Yugoslavia	.0	.0	.4	.3	.0	.2	.2	100
Cigar leaf (filler)	22.4	11.3	15.7	15.5	7.4	10.2	10.4	102
Cuba	21.6	11.2	15.7	15.2	7.4	10.0	10.3	103
Stemmed	13.8	7.1	11.6	11.3	4.6	7.6	7.4	97
Unstemmed	7.8	4.1	4.1	3.9	2.8	2.4	2.9	121
Scrap	3.6	6.1	5.4	5.3	4.2	3.7	4.0	108
Cuba	1.8	2.9	5.1	5.1	2.0	3.5	3.9	111
Philippines	1.7	3.2	.3	.2	2.2	.2	.0	---
Cigar wrapper	6.3	2.1	.8	1.1	1.3	.7	.9	129
Indonesia 5/	6.1	1.9	.5	.8	1.2	.5	.7	140
Cuba	.1	.2	.3	.3	4/	.2	.2	100
Total from Cuba	23.5	14.3	21.1	20.6	9.4	13.7	14.4	105

1/ General imports.
2/ Preliminary.
3/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.
4/ Less than 50,000 pounds.
5/ Formerly shown as originating in Netherlands Indies or Netherlands.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

and cigars. In recent years, about three-fourth of the total tobacco imports have been cigarette leaf and nearly all of the rest, cigar leaf. Cigarette leaf imports in 1951 may be a record and the continued large c cigarette manufacture in prospect will favor substantial cigarette leaf imports again next year. Cigar leaf imports for 1951 probably will exceed those of last year and should be maintained in 1952 since next year's cigar output may rise a little.

In the first 8 months of 1951, cigarette leaf imports from the 2 principal sources, Turkey and Greece, were higher than in the same period a year earlier. In cigar leaf, the major increases were in unstemmed filler and scrap from Cuba, and in wrapper from Indonesia.

The July 1, 1951, stocks of foreign-grown cigarette and smoking tobacco in the United States totaled about 180 million pounds--one-fifth above those of a year earlier and the highest on record. The July 1 stocks of Cuban tobacco in this country totaled nearly 16 million pounds but were 4 percent lower than a year earlier. The July 1 stocks of Sumatra and Java tobacco in this country (excluding that stored in the Free Trade Zone) at 443,000 pounds were considerably smaller than a year earlier.

FLUE-CURED, TYPES 11-14

Domestic Use and Exports

During July 1951-June 1952, the total disappearance of flue-cured probably will exceed that of 1950-51 by around 5 percent and be the largest on record. There are also fairly promising prospects for a large disappearance again in the 1952-53 marketing year.

Domestic use will be larger mainly to meet the strong demand for cigarettes. In 1950-51 domestic use was at a new high of 751 million pounds--4 percent above that of a year earlier. Comparing the same periods, cigarette output increased 6 percent.

Flue-cured exports in 1951-52 will exceed the 433 million pounds (farm-sales weight) of 1950-51 by perhaps as much as 10 percent and will be the largest since the unusually large amount in 1946-47. The increased British purchases from the 1951 crop will be the major reason for the increase. Also, the larger supply of lower-priced grades from the 1951 crop should be of special interest to some foreign buyers.

During 1950-51, the 10 leading foreign outlets for flue-cured were the United Kingdom, Germany, Netherlands, Australia, Ireland, Belgium, Sweden, Indonesia, Denmark, and India. The United Kingdom and Germany accounted for 39 and 16 percent, respectively, and the other 8 countries for another 29 percent. A large part of the remaining 16 percent went to New Zealand, Switzerland, Siam, Austria, Philippine Republic, Norway, Finland, Hong Kong, Portugal, and French Indochina. In 1949-50, in sharp contrast, with preceding years, the Philippine Republic took a substantial quantity of flue-cured and was the fourth ranking foreign outlet. The much smaller shipments to that country in 1950-51 largely account for the lower total flue-cured exports than a year earlier.

In the first 2 months of the 1951-52 marketing year (July-August), flue-cured exports were 12 percent larger than in the same 2 months a year earlier. Those to the United Kingdom, Belgium, Australia, and Sweden were considerably higher but those to Germany were far below those in the same months of 1950.

Supplies

Carry-over of flue-cured on July 1, 1951, totaled nearly 1,558 million pounds, about 5 percent more than a year earlier but only slightly different from the carry-overs in 1948 and 1949. The October 1 estimate

Table 8.- Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Year	Production	Stocks July 1	Supply	Disappearance 1/ Total	Disappearance 1/ Domestic 2/	Disappearance 1/ Exports 2/	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	741	845	1,586	704	338	366	22.9
1939	1,171	946	2,117	707	417	290	14.9
1940	760	1,410	2,170	577	421	156	16.4
1941	650	1,593	2,243	783	492	291	28.1
1942	812	1,460	2,272	893	604	289	38.4
1943	790	1,379	2,169	980	625	355	40.2
1944	1,087	1,189	2,276	1,150	696	454	42.4
1945	1,173	1,126	2,299	1,152	665	487	43.6
1946	1,352	1,147	2,499	1,212	660	552	48.3
1947	1,317	1,287	2,604	1,054	695	359	41.2
1948	1,090	1,550	2,640	1,102	715	387	49.6
1949	1,115	1,538	2,653	1,168	722	446	47.2
1950 2/	1,257	1,485	2,742	1,184	751	433	54.7
1951 2/	1,412	1,558	2,970				3/ 52.0

1/ Year beginning July 1. 2/ Subject to revision. 3/ Estimated.

of United States flue-cured production was 1,412 million pounds -- 12 percent larger than last year's crop and above the previous record crop of 1,352 million pounds in 1946. The carry-over plus this year's crop adds to a total supply for 1951-52 of 2,970 million pounds -- 8 percent larger than the 1950-51 supply, which was considered to be fairly tight a year ago. The large 1951 crop has eased that situation. The total supply for 1951-52 is about 2.4 times the probable disappearance. In 1950-51 and 1949-50, supplies were 2.3 times the actual disappearance.

With disappearance in 1951-52 expected to be moderately higher than in 1950-51, the flue-cured carry-over next July would probably be over 1,700 million pounds. The quantity of flue-cured produced in 1952 will depend primarily on the size of the total acreage allotment and the average yield per acre realized next year. An announcement by the Secretary of Agriculture on the size of the 1952 marketing quota and national allotment for flue-cured will be made not later than December 1, 1951. Flue-cured

yields per acre this year have averaged about 2 percent lower than the record 1950 average but are the second highest in history. With average weather, next year's yields are likely to continue near those of recent years which are considerably above even those of 5 to 10 years ago.

1951 Crop Prices

Auction market prices for all types of flue-cured combined through late October averaged 52.2 cents per pound compared with 54.9 cents in the corresponding period of the 1950 season. It is estimated that for the 1951 season as a whole, the average price for all belts combined will be about 52 cents per pound or 5 percent lower than last year's record average of 54.7 cents. Most tobacco in the higher grades brought higher prices than last season but prices for lower grades were generally down. The much larger proportion falling in the lower-priced grades than last year is primarily responsible for the drop in the general average price. Despite the lower crop-wide price average, total cash receipts to flue-cured growers from their 1951 crop will be approximately 735 million dollars or about 7 percent larger than the 688 million dollars from last year's crop and a record high. However, labor and other production costs were also up from last year and also probably above any previous year. Data are not available for estimating the total net returns.

Auction market volumes and prices for the 1950 and 1951 seasons through the third week in October in the various belts were as follows:

	1950 Million pounds	1951 Million pounds	1950 Cents	1951 Cents
Ga.-Fla., type 14	142	191	48.1	46.2
S. C. and Border N. C., type 13	302	344	55.2	51.9
Eastern N. C., type 12	408	433	56.8	55.0
Middle Belt, type 11(b)	137	119	56.6	53.4
Old Belt, type 11(a)	189	154	54.5	51.8

In the Georgia-Florida Belt, the season average prices for many higher quality grades were practically the same as in 1950 but the simple average of the season prices of representative lower quality grades advanced by 3 or 4 percent. For the other belts, some comparisons of representative grade prices for sales through the third week of October indicate that the simple average prices for 10 high quality grades in the Border and Eastern Belts were 4½ percent higher in 1951 than in 1950; and in the Middle and Old Belts, 6 percent higher. On the other hand, the simple average price of 10 lower quality grades was down approximately 14 to 20 percent in these same belts.

Price Supports

The 1951 price support is 50.7 cents per pound compared with the 1950 support of 45.0 cents. The level of price support is determined at 90 percent of the June parity. The rise in the parity index (prices paid by farmers, interest, taxes, and wage rates) was the principal reason for the higher support for this year.

Table 9.- Flue-cured price support operations, 1946-51

(Farm-sales-weight equivalent)

Marketing season	Flue-cured placed under Government loan: Quantity	Flue-cured placed under Government loan: Proportion of total crop	Remaining in Government loan stocks on September 30, 1951 1/
	Million pounds	Percent	Million pounds
1946	66.5	4.9	None
1947	232.3	17.6	None
1948	106.1	9.7	11.3
1949	103.5	9.3	9.3
1950	77.6	6.2	59.6
1951	2/	2/	2/

1/ Actual loan stocks in terms of packed weight are 11 or 12 percent less than their equivalent farm-sales weight.
2/ In the 1951 marketing season through October 19, 110 million pounds, approximately 9 percent of estimated producers' sales had been placed under loan.

The flue-cured price support in 1952 seems likely to be slightly less than in 1951 because its parity price in June 1952 may be a little lower. A reduction in the parity price is likely because the adjusted base price used under the present formula may be lower than this year. 3/ The reduction in the adjusted base price probably will slightly more than offset the rise in the parity index that may occur by mid-1952.

Demand for flue-cured tobacco is expected to continue strong in 1952. If the grade distribution is more nearly average than in 1951, growers should receive a higher average price than in the 1951 season.

3/ The "adjusted base period price" is derived by taking the most recent 10-year average price received for the commodity and dividing it by the corresponding 10-year average index of prices received for all agricultural commodities. If both of these 10-year averages increased by the same percentage (1942-51 averages compared with 1941-50 averages), the "adjusted base period prices" would be the same for parity computations in 1952 as in 1951. However, it appears that the 10-year average index of all agricultural commodities will show a greater percentage rise than will the 10-year average of flue-cured prices and the computation will result in a small reduction in the "adjusted base period price" for flue-cured. After the "adjusted base period price" is determined, it is multiplied by the parity index (prices paid by farmers, interest, taxes, and wage rates) to arrive at the parity price. Inasmuch as the parity index may advance some, although probably not much, by next June, this would tend to offset the reduction in the "adjusted base period price" as it affects the flue-cured parity price calculation. Therefore, there should be little change in the flue-cured parity and consequently, in the price support level applicable to the 1952 crop.

BURLEY, TYPE 31

Domestic Use and Exports

In the October 1951-September 1952 marketing year, the total disappearance of Burley is likely to be larger than the 530 million pounds estimated for 1950-51. The probable increase of domestic use in cigarette manufacture will be the major contributing factor. The other domestic uses of Burley are in smoking and chewing tobacco, and these probably will not show much change in the year ahead. The preliminary estimate of the 1950-51 domestic use of Burley at 499 million pounds is slightly above that of the previous year but does not show as much increase from 1949-50 as might have been expected in view of the increase in the cigarette output. Probably a little less Burley was used in smoking and chewing tobacco.

The 1951-52 exports of Burley are expected to be approximately the same as in the last year or two. The increased use of Burley abroad in the blended-type cigarettes since World War II has raised Burley exports to 3 to 4 times the prewar level. Burley exports account for about 6 to 8 percent of total disappearance. The estimated exports during 1950-51 are 31 million pounds compared with 41 million in 1949-50. During October 1950-August 1951, the leading foreign outlets for Burley were Germany, Portugal, and Belgium, all of which took less than in the same period of

Table 10.- Burley tobacco, type 31: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/ Total	Disappearance 1/ Domestic 2/	Disappearance 1/ Exports 2/	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	287	701	988	314	302	12	22.2
1939	395	684	1,079	317	305	12	17.3
1940	377	762	1,139	341	335	6	16.2
1941	337	798	1,135	380	374	6	29.2
1942	344	755	1,099	413	407	6	41.8
1943	392	686	1,078	427	418	9	45.6
1944	591	651	1,242	483	474	9	44.0
1945	577	759	1,336	483	448	35	39.4
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	560	974	1,534	538	497	41	45.2
1950 2/	498	996	1,494	3/530	3/499	3/31	48.9
1951 2/	566	3/964	3/1,530				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated.

of a year earlier. Next ranking countries were Sweden, Denmark, and Mexico, which took more. Among other foreign destinations were Austria and the United Kingdom, which took smaller quantities; and Norway, Switzerland, and Egypt, which increased their takings compared with those of a year earlier. Burley exports to the Netherlands, the fourth ranking outlet in 1949-50, fell very sharply during the 11-month period ending with August 1951. Spain got about one-half million pounds of Burley in recent months in contrast to only negligible quantities in the last several years.

Supplies

The estimated carry-over of Burley on October 1, 1951, is 964 million pounds--3 percent less than the record of a year earlier. In October, the Burley crop was estimated at 566 million pounds--almost 14 percent larger than the 1950 crop. The major part of the increase is in Kentucky, where average yields per acre exceed last year's. In Tennessee, the second ranking State, average yields are apparently considerably lower than last year's and only a slightly larger crop will be realized from the increased acreage.

The carry-over plus this year's production adds to a total supply of 1,530 million pounds for 1951-52--about 2 percent above the 1950-51 level. Assuming that total disappearance of Burley in 1951-52 may be around 550 million pounds, the carry-over on October 1, 1952, will be approximately 980 million pounds--a little higher than October 1951 but a little lower than on the same date in 1950.

The 1951 marketing quota and acreage allotments for Burley will be announced by the Secretary of Agriculture not later than December 1 of this year.

1951 Crop Prices Expected to Top 1950

Burley auctions usually begin around December 1. The demand for cigarette grades in the coming season is expected to be strong, and the season average for the crop should exceed the 48.9 cents per pound received by growers for their 1950 crop. The parity price for Burley on September 15 was 55.3 cents per pound and the 1951 crop price support level computed at 90 percent is 49.8 cents. The price support level for this year's crop was 4.1 cents per pound--9 percent above last season's price support. This was primarily due to the rise in the parity index (prices paid by farmers, interest, taxes, and wage rates).

The price support level for the 1952 crop seems likely to be almost the same as for this year's crop. Some further gradual increase in the parity index may occur by next fall, but in the calculation of the Burley parity for 1952, it is probable that the "adjusted base period price" will be a little lower than the one used in calculating the 1951 Burley parity.

Table 11.- Burley price support operations, 1946-50

(Farm-sales-weight equivalent)

Marketing season	Burley placed under Government loan		Remaining in Government loan stocks on September 30, 1951 1/
	Quantity	Proportion of total crop	
	Million pounds	Percent	Million pounds
1946	147.8	24.1	None
1947	37.7	7.8	2/ 4.1
1948	96.7	16.0	17.6
1949	39.1	7.0	11.4
1950	44.2	8.9	43.4

1/ Actual loan stocks in terms of packed weight are 10 or 11 percent less than their equivalent farm-sales weight.
2/ Stocks of this crop have been reduced to around one-half million pounds since September 30.

MARYLAND, TYPE 32

Domestic Use and Exports

The total disappearance of Maryland in the October 1951-September 1952 marketing year seems likely to be as high or perhaps a little higher than the 36½ million pounds estimated for 1950-51. The estimated domestic use (mostly in cigarettes) in 1950-51 is close to 28 million pounds about the same as in 1949-50. Exports of Maryland tobacco account for almost one-fourth of total disappearance. The 1950-51 exports will be approximately 8½ million pounds compared with 7.4 million in 1949-50. Switzerland is the destination of about three-fifths of the total exports of Maryland tobacco. Swiss takings in the first 11 months of the marketing year were slightly below those a year earlier. France and French Morocco, the next ranking countries, sharply increased their takings over a year ago. During October 1950-August 1951, Netherlands, Germany, Denmark, and Tunisia took more than in 1949-50 but Belgium, Algeria, and the Philippine Republic got less. The 1951-52 exports of Maryland seem likely to be maintained near the 1950-51 level.

Supplies

The October 1, 1951, carry-over of Maryland tobacco is estimated at approximately 63 million pounds -- 6 percent higher than a year earlier and above any previous October level. The October estimate for the 1951 crop is a little over 43 million pounds--8 percent larger than the 1950 harvestings. The 1951 acreage was up a little from 1950 and above any previous year's, and yields per acre may be 6 percent above last year's. Acreage allotments are not in effect. The 1951 crop plus the carry-over adds to a total supply of about 107 million pounds for 1951-52--about 7 million pounds more than for 1950-51.

If total disappearance of Maryland in 1951-52 should approximate 39 million pounds, the carry-over next October would be up about 4 million pounds from the record level of over 63 million pounds this October.

The Secretary of Agriculture, as required by law, will proclaim a marketing quota and acreage allotment for the 1952 crop no later than December 1. Growers will vote in favor of quotas for 3 years, for 1 year, or to reject quotas. A marketing quota will be in effect only if approved by at least two-thirds of the growers voting. Government price support at 90 percent of parity is mandatory when quotas are in effect but no price support can be made available on the 1952 crop if the quota is disapproved.

Table 12.- Maryland tobacco, type 32: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/ Total	Disappearance 1/ Domestic 2/	Disappearance 1/ Exports 2/	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	27.5	41.3	68.8	26.5	21.1	5.4	19.7
1939	32.8	41.4	74.2	26.5	22.6	3.9	21.1
1940	32.6	47.7	80.3	28.5	25.9	2.6	33.0
1941	31.2	51.8	83.0	27.2	26.1	1.1	30.1
1942	28.1	55.8	83.9	34.4	32.2	2.2	56.5
1943	20.8	49.5	70.3	25.1	23.8	1.3	45.3
1944	38.2	45.2	83.4	31.2	28.8	2.4	55.5
1945	18.4	52.2	70.6	30.3	24.2	6.1	57.0
1946	46.2	40.3	86.5	34.0	28.3	5.7	44.5
1947	37.8	52.5	90.3	34.3	27.0	7.3	42.8
1948	35.0	56.0	91.0	37.0	27.7	9.3	54.4
1949	41.2	54.0	95.2	35.4	28.0	7.4	48.3
1950 2/	40.0	59.8	99.8	3/36.5	3/28.0	3/8.5	4/47.8
1951 2/	43.4	3/63.3	3/106.7				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated.
4/ Auction market average.

Prices

The average price for 1950 crop Maryland tobacco (auctioned May 8-August 17 of this year) was 47.8 cents per pound--nearly the same as in the previous season. The 1950 crop had a larger than average proportion of the lower quality grades. The 1950 crop support level was 48.6 cents--86 percent of the September 1950 parity.

Although the total supply of Maryland tobacco is above that of a year ago, the average price for the 1951 crop, to be marketed next spring and summer, may not be much different than in the past season. Both domestic and foreign demand should be quite strong and the 1951 crop is expected to be better quality than the 1950 crop. No price support can be provided on 1951 crop marketings since growers disapproved a marketing quota on the 1951 crop in the referendum held last fall.

Growers placed about 5 1/2 million pounds from the 1950 crop under Government loan. On September 30, there remained under loan about 5.3 million pounds from the 1950 crop; 1.3 million from the 1949 crop; and 1.7 million from the 1948 crop.

FIRE-CURED, TYPES 21-23

Domestic Use and Exports

In the October 1951-September 1952 marketing year, total disappearance of fire-cured tobacco is not likely to be as much as the 78 million pounds estimated for 1950-51. Exports rose sharply in the past year and probably will not be as large again next year. Domestic use of fire-cured is mainly in snuff, output of which is comparatively stable. Production of snuff in 1951-52 probably will be as high, or perhaps slightly higher, than in 1950-51. The estimated domestic use of fire-cured in 1950-51 is 35 or 36 million pounds or practically the same as in each of the previous 4 years.

Exports of fire-cured during 1950-51 are estimated at around 40 million pounds, a sharp increase over the record peacetime low of 29 million pounds in 1949-50. The upturn in fire-cured exports in the past year was in the Kentucky-Tennessee types. The 6 leading foreign outlets for these types were France, Netherlands, Switzerland, Belgium, Sweden, and the United Kingdom. All except the Netherlands got much more in the 11 months, October 1950-August 1951, than in 1949-50. The increase to the Netherlands was about 2 percent. Other foreign destinations that took more were Ireland and Gold Coast but less went to Portugal, Denmark, Germany, Italy, Norway, Egypt, and French Morocco. All of these latter countries took considerably smaller amounts than the 6 leading countries. Spain got a significant quantity in recent months for the first time since 1939.

In the past year, exports of Virginia fire-cured leaf have been about 30 percent smaller than in 1949-50. They accounted for about one-eighth of total fire-cured leaf exports. Norway, Switzerland, and Sweden got more but the United Kingdom, Germany, Denmark, and Netherlands got much smaller quantities. More went to New Zealand but considerably less went to Australia and the Philippine Republic.

Table 13.- Fire-cured tobacco, types 21-24: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/ Total	Domestic 2/	Exports 2/	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1939	99.4	136.2	235.6	94.0	55.1	38.9	10.6
1940	106.5	141.6	248.1	64.2	45.6	18.6	9.5
1941	69.7	183.9	253.6	69.0	51.5	17.5	14.1
1942	71.5	184.6	256.1	76.3	60.7	15.6	17.1
1943	64.9	179.8	244.7	71.2	54.5	16.7	23.4
1944	66.1	173.5	239.6	107.8	43.9	63.9	24.5
1945	58.3	131.8	190.1	85.2	37.6	47.6	31.5
1946	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947	85.8	143.4	229.2	66.6	36.3	30.3	29.5
1948	73.2	162.6	235.8	78.6	35.4	43.2	31.9
1949	72.1	157.2	229.3	64.6	35.3	29.3	29.8
1950 2/	57.5	164.7	222.2	3/ 75.2	3/ 35.2	3/40.0	31.1
1951 2/	61.4	3/147.0	3/208.4				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated.

Supplies

The October 1, 1951, carry-over is estimated at approximately 147 million pounds--11 percent less than last year's which was the highest since 1944. The drop in carry-over occurred in the Kentucky-Tennessee types. The October 1 estimate for the 1951 fire-cured crop was a little over 61 million pounds--7 percent larger than the 1950 crop. The type 22 and type 23 crops may be up 10 and 5 percent, respectively, but the Virginia fire-cured crop may be down slightly (less than 1 percent). Yields per acre in Kentucky-Tennessee this year are well above those in 1950 when they were reduced by adverse weather conditions. The 1951 crop plus the carry-over adds to a total supply of about 208 million pounds for 1951-52--6 percent lower than for 1950-51. This appears to be fully adequate to meet requirements except for certain grades which may be scarce.

If the 1951-52 disappearance is about 70 million pounds, the carry-over next October 1 would be approximately 6 percent below the estimated 147 million pounds on October 1 of this year.

The Secretary of Agriculture will announce the 1952 fire-cured quota and acreage allotments in November. In the referendum to follow, growers will vote on whether to continue quotas for 3 years, 1 year, or to reject them. The marketing quota will be in effect only if approved by two-thirds of the growers voting. Government price support is mandatory when quotas are in effect but cannot be made available on the 1952 crop if the quota is disapproved. In the last referendum held in late 1948, growers overwhelmingly approved quotas for 3 years.

1951 Crop Prices to be Higher

A fairly good demand for fire-cured is expected in the coming marketing season. Growers are likely to receive better average prices for this year's crop since the large amounts of low quality tobacco in Kentucky-Tennessee last season pulled down the general price average. The price support level for the 1951 crop is 37.4 cents--3.1 cents higher than last season. Prices received for the 1950 crop Virginia fire-cured (type 21) averaged a record 36.3 cents per pound and Kentucky-Tennessee types 22 and 23 averaged 30.9 and 26.1 cents, respectively.

The fire-cured price support is computed at 75 percent of the Burley price support level. If the 1952 crop price support for Burley is almost the same as that for the 1951 crop, as seems likely, then the 1952 support level for fire-cured will also be nearly the same as this year's.

Table 14.- Fire-cured price support operations, 1946-50
(Farm-sales-weight equivalent)

Marketing season	Fire-cured placed under Government loan: Quantity	Fire-cured placed under Government loan: Proportion of total crop	Remaining in Government loan stocks on September 30, 1951 1/
	Million pounds	Percent	Million pounds
1946	40.7	37.4	6.8
1947	31.3	36.5	11.2
1948	27.3	37.2	12.8
1949	18.8	26.1	10.3
1950	12.3	21.4	11.3

1/ Actual loan stocks in terms of packed weight are 5 to 7 percent less than their farm-sales-weight equivalent.

DARK AIR-CURED, TYPES 35-37

Domestic Use and Exports

In the October 1951-September 1952 marketing year, total disappearance of dark air-cured tobacco is expected to be about as much as the 35 million pounds estimated for 1950-51. Domestic use of dark air-cured is mostly in the manufacture of chewing tobacco which is not expected to show much, if any, increase in the year ahead. The estimated domestic use in 1950-51 is 25 or 26 million pounds, up a little from the previous year. During the first 11 months of the 1950-51 marketing year, output of chewing tobacco--its principal outlet--held about even with that in the same period a year earlier.

Exports of dark air-cured in 1950-51 are estimated at approximately 9 million pounds compared with 6 million in 1949-50. Dark air-cured tobacco goes abroad, partly as leaf and partly as Black Fat. From October 1950 through August 1951, the One Sucker leaf exports were 14 percent larger than in the same period of a year earlier. The leading outlet for One Sucker was Nigeria which accounted for nearly three-fifths of the total. Second and third for this type were Belgium and Netherlands, each of which got considerably more than a year earlier. Green River leaf exports in 1950-51 were more than double those in 1949-50, largely as the result of the relatively big shipment of this type to Spain. The United Kingdom took substantially more than a year earlier. Liberia got more but Belgium took less. Exports of Black Fat in October 1950-August 1951 were 39 percent above those of the same period of a year earlier. More went to Nigeria (the leading outlet) and the Gold Coast; much more to French West and Equatorial Africa, and Western Portuguese Africa; but less to Cameroon. ECA authorizations in fiscal 1950-51 to the overseas territories of the United Kingdom and France considerably aided dark air-cured exports in the past several months.

Table 15.- Dark air-cured tobacco, types 35-37: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/ Total	Domestic 2/	Exports 2/	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av.1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1939	44.2	56.1	100.3	34.7	27.3	7.4	7.3
1940	42.5	65.6	108.1	33.7	29.0	4.7	7.7
1941	31.5	74.4	105.9	41.9	38.9	3.0	12.0
1942	35.2	64.0	99.2	33.9	29.8	4.1	15.2
1943	30.0	65.3	95.3	37.6	34.4	3.2	27.2
1944	44.9	57.7	102.6	42.2	35.9	6.3	23.3
1945	43.6	60.4	104.0	43.6	30.5	13.1	25.2
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.9	23.1	14.8	28.7
1949	35.9	74.1	110.0	30.2	24.0	6.2	28.2
1950 2/	28.6	79.8	108.4	3/35.0	3/26.0	3/ 9.0	24.6
1951 2/	32.1	3/73.4	3/105.5				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated.

Supplies

The October 1, 1951, carry-over is estimated at approximately 73 million pounds, 8 percent lower than a year earlier when October stocks were the highest since 1932. The October estimate for the 1951 crop of dark air-cured was 32 million pounds--12 percent larger than last year's harvestings. The One Sucker (type 35) is about 18 percent larger; the Green River (type 36), 4 percent larger; and Virginia sun-cured (type 37), a little over 7 percent larger. Yields per acre of One Sucker and Green River are well above those in 1950 when adverse weather conditions lowered them. This year's crop plus the carry-over adds to a total supply of 105 million pounds for 1951-52--slightly less than the 1950-51 level and below that for any year since 1945-46.

If the disappearance is around 35 million pounds in 1951-52, the carry-over in October 1952 will be about 70 million pounds--2 or 3 million less than that estimated for October 1951.

The Secretary of Agriculture will announce the 1952 dark air-cured (types 35-36) quota and acreage allotment in November. Growers will vote on whether to continue quotas for 3 years, 1 year, or to reject quotas. The marketing quota will be in effect only if approved by two-thirds of the growers voting. Government price support is mandatory when quotas are in effect but cannot be made available on the 1952 crop if the quota is disapproved. In the last referendum held on types 35-36 in late 1948, growers overwhelmingly approved quotas for 3 years. A referendum of Virginia sun-cured (type 37) growers held in December 1949 approved quotas for their type for the 1950-51, 1951-52, and 1952-53 marketing years.

1951 Crop Price to be Higher

The 1951 crop of the Kentucky-Tennessee types should bring higher average prices than last season when inferior quality lowered the average. The price support level for the 1951 crop is 33.2 cents per pound--2.7 cents higher than last season. The 1950 crop averages for One Sucker and Green River were 23.6 and 22.6 cents per pound, respectively,--sharply lower than the previous year's. Virginia sun-cured brought 33.9 cents per pound--the second highest on record.

The dark air-cured price support is computed at 66 2/3 percent of the Burley price support level. If the 1952 crop price support for Burley is almost the same as that for the 1951 crop, as seems likely, then the 1952 support level for dark air-cured also will be nearly the same as this year's.

Table 16.- Dark air-cured price support operations, 1946-50

(Farm-sales-weight equivalent)

Marketing season	Dark air-cured placed under Government loan: Quantity	Dark air-cured placed under Government loan: Proportion of total crop	Remaining in Government loan stocks on September 30, 1951 1/
	Million pounds	Percent	Million pounds
1946	15.7	31.7	1.5
1947	14.4	38.7	12.1
1948	8.9	25.6	7.1
1949	4.1	11.4	3.1
1950	4.1	14.3	4.1

1/ Actual loan stocks in terms of packed weight are 11 or 12 percent less than their farm-sales-weight equivalent.

CIGAR, TYPES 41-62

Domestic Use and Exports

The total disappearance of cigar filler, binder, and wrapper in 1951-52 probably will be as high or slightly higher than in 1950-51. A large share of the cigar tobacco is used in domestic cigar manufacture but some grades go into scrap chewing and some is exported.

It is estimated that the October 1950-September 1951 total disappearance of cigar filler (types 41-44) was about 60 million pounds compared with 57 million in the previous year. The total disappearance of binder (types 51-55) was probably around 56 or 57 million pounds compared with 50 million in 1949-50. Total disappearance of shade-grown wrapper (types 61-62) between July 1950-June 1951 at 14 1/2 million pounds was about the same as in the preceding year.

In the first 11 months of the recent marketing year, exports of filler types were a little less than 1 million pounds (farm-sales weight) and only about one-third as large as in 1949-50. Much less went to Algeria, very little to Germany, and none to French Morocco, Tunisia, and the Philippine Republic. During October 1950-August 1951, the exports of binder at about 2 1/2 million pounds (farm-sales weight) were almost the same as in the corresponding period of 1949-50. Shipments to Germany, the leading foreign outlet last year, were down very sharply but those to Netherlands, Belgium, and Denmark showed substantial increases. Exports

Table 17.- Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-51

Type and year	Production	Stocks October 1 1/	Supply	Disappearance year beginning October 1 1/	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Filler types 41-44 2/					
Average 1934-38	48.9	159.9	208.8	54.4	10.4
1939	63.1	141.9	205.0	54.0	11.7
1940	64.7	151.0	215.7	58.7	12.0
1941	71.2	157.0	228.2	61.4	12.5
1942	53.8	166.8	220.6	67.0	13.2
1943	47.0	153.6	200.6	55.2	18.6
1944	58.8	145.4	204.2	61.3	19.5
1945	49.9	142.9	192.8	64.0	34.0
1946	64.4	128.8	193.2	71.0	32.8
1947	63.2	122.2	185.4	61.7	30.6
1948	70.8	123.7	194.5	62.6	25.8
1949	69.1	131.9	201.0	57.2	26.2
1950 3/	71.1	143.8	214.9	4/ 60.0	25.2
1951 3/	66.1	4/ 155.0	4/ 221.1		
Binder types 51-56					
Average 1934-38	41.8	165.1	206.9	60.5	12.5
1939	63.3	116.6	179.9	45.0	16.6
1940	67.9	134.9	202.8	66.1	14.5
1941	61.6	136.7	198.3	60.4	16.9
1942	55.2	137.9	193.1	66.4	20.4
1943	51.0	126.7	177.7	69.2	30.3
1944	57.2	108.5	165.7	63.4	30.9
1945	62.1	102.3	164.4	60.9	47.7
1946	73.8	103.5	177.3	53.6	52.7
1947	70.3	123.7	194.0	68.2	43.4
1948	59.7	125.8	185.5	62.3	41.2
1949	62.0	123.2	185.2	50.1	36.0
1950 3/	65.1	135.1	200.2	4/ 57.0	35.9
1951 3/	53.4	4/ 143.0	4/ 196.4		
Wrapper types 61-62					
Average 1934-38	8.4	11.8	20.2	9.3	78.3
1939	11.4	10.1	21.5	7.9	67.7
1940	9.5	13.6	23.1	10.4	77.6
1941	10.1	12.7	22.8	9.6	98.4
1942	9.2	13.2	22.4	9.4	132.1
1943	10.0	13.0	23.0	8.7	167.7
1944	11.3	14.3	25.6	10.9	196.1
1945	11.2	14.7	25.9	12.3	197.3
1946	12.5	13.6	26.1	12.7	234.0
1947	13.5	13.4	26.9	12.4	296.0
1948	15.1	14.5	29.6	13.0	274.0
1949	17.3	16.6	33.9	14.5	201.0
1950 3/	15.0	19.4	34.4	14.5	209.0
1951 3/	15.1	19.9	35.0		

1/ Stocks and disappearance for types 56, 61, and 62 are as of July 1. 2/ A small quantity of type 45 for 1939 and 1940 not included. 3/ Subject to revision. 4/ Preliminary estimate.

of wrapper in the year ending last June at about 3 1/2 million pounds (farm-sales weight) held almost even with those of a year earlier. Germany, accounting for two-thirds of the total, took about the same as in 1949-50. Canada, Belgium, and Austria got more but Denmark and the Netherlands got less. In July-August 1951, over one-half million pounds of cigar wrapper were exported about the same as in July-August of 1950. More went to Denmark but less to Germany.

Supplies

Filler: The carry-over of filler (types 41-44) on October 1, 1951, is estimated at 155 million pounds--8 percent larger than a year earlier and the highest since the early 1940's. The October estimate of the 1951 crop is 66 million pounds--7 percent smaller than the 1950 crop. The Pennsylvania filler crop (accounting for 89 percent of the total) was down 3 percent from last year but will probably be the third largest crop since 1920. The Ohio (Miami Valley) filler crop may be 30 percent lower than last year. The 1951-52 total filler supply (carry-over plus production) at 221 million pounds would be 6 million larger than that for 1950-51.

The Secretary of Agriculture, as required by law, will proclaim marketing quotas on the 1952 crop of Pennsylvania filler (type 41) and cigar filler and binder (types 42-44 and 51-55) not later than December 1. In the referenda to follow, growers will vote to approve quotas for 3 years, 1 year, or to reject quotas. No quota was in effect on the 1951 Pennsylvania filler crop, but quotas were in effect for the first time on the crops of the cigar filler and binder types "42-44 and 51-55."

Puerto Rican tobacco (type 46) also is a filler type, which is planted in the fall and harvested in the early months of the next year. Stocks of Puerto Rican tobacco on July 1, 1951, in this country totaled a little under 22 million pounds (farm-sales weight)--18 percent less than a year earlier but those on the Island at 35 million pounds were up 9 percent. The shipments of Puerto Rican tobacco to the United States in the year ending June 30 was about 17 1/2 million pounds (declared weight)--8 percent lower than in the previous year. The tobacco quota assigned to growers by the Puerto Rican Government for the current season totals 28 1/2 million pounds--an increase over last season's quota.

Binder: The carry-over of binder on October 1, 1951, is estimated at about 143 million pounds--6 percent larger than on October 1, 1950, and the highest since the mid-1930's. Most of the increase in stocks occurred in the Havana Seed (type 52) and the Northern Wisconsin (type 55). The October estimate of this year's production of all binder types combined is about 53 1/2 million pounds--18 percent less than in 1950. In the Connecticut Valley, Broadleaf (type 51) and Havana Seed (type 52) are down 14 and 16 percent, respectively; and in Wisconsin, the Southern (type 54) and Northern (type 55) are down 15 and 27 percent, respectively. The reduction in the latter type is partly due to flood conditions during the growing season. The relatively small New York and Pennsylvania Havana Seed (type 53) crop is practically the same size as last year's. The 1951-52 total supply of all binder types combined (production plus carry-over) will approximate 196 or 197 million pounds--slightly lower than a year ago but still above any other year since 1941-42.

Wrapper: Carry-over of shade-grown wrapper (types 61-62) on July 1, 1951, was 19.9 million pounds--2 to 3 percent above a year earlier. Stocks of Connecticut shade-grown (type 61) were down while the stocks of Georgia-Florida shade-grown (type 62) were up 17 percent. The October estimate of

the 1951 crop is slightly larger than last year's harvestings with small increases in both areas. The total 1951-52 supply is 35 million pounds--about one-half million pounds above the level of each of the past 2 years.

Prices

The average prices for the cigar types, being grown under acreage allotments and quotas this year are likely to exceed those received for the 1950 crops. The larger cigar output in the past year and the favorable prospect ahead should be a strengthening factor. The support prices for the various types range from 9 to about 13 percent higher than last season. The increase in the support level for cigar filler and binder types 42-44, 46, and 51-55 is due primarily to the rise in the parity index (prices paid, interest, taxes, and wage rates).

The 1951 crop of Pennsylvania filler tobacco, type 41, will not have price support since a quota was disapproved in the referendum last December.

Table 18.- Cigar tobacco types, season average prices, 1949-50; loan levels, 1950-51

Type	1949 season average	1950 season average	1950 loan level	1951 loan level
	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Pennsylvania filler, type 41	26.4	26.4	25.2	1/
Ohio cigar filler, types 42-44	25.0	18.6	23.6	26.1
Puerto Rican filler, type 46	20.0	28.5	29.0	32.6
Conn. Valley Broadleaf binder, type 51	53.0	52.0	49.0	55.2
Conn. Valley Havana Seed binder, type 52	41.9	39.8	49.5	54.2
N. Y. and Pa. Havana Seed binder, type 53	22.0	21.7	25.5	28.0
Southern Wis. binder, type 54	22.8	23.5	24.1	27.3
Northern Wis. binder, type 55	28.5	28.1	30.0	33.5
Conn. Valley Shade-grown, type 61	205.0	215.0	2/	2/
Ga.-Fla. Shade-grown type 62	195.0	200.0	2/	2/

1/ Price support cannot be made available on 1951 crop of type 41.
2/ Mandatory loans not applicable to wrapper types.

The quantities of 1950 crop cigar tobacco placed under loan by growers were 2.8 million pounds of type 41, 2.6 million of types 42-44, a little over .2 million of type 46, 3.6 million of type 52, 1.4 million of type 54, and less than .4 million of type 55. Only minor quantities of types 51 and 53 were placed under loan. As of September 30, the stocks of cigar tobacco remaining under loan were as follows: type 41, 2.4 million pounds, types 42-44, 2.6 million; type 46, 2.3 million (mostly 1949 crop tobacco); type 52, 3.4 million (two-thirds, 1950 crop tobacco and one-third, 1949 crop tobacco); and type 54, 1.4 million (1950 crop). Also, there were 2.3 million pounds of type 54 (1948 and 1949 crops) on which title passed to the Commodity Credit Corporation and which is now included in CCC inventories.

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Table 19.- Tobacco manufactures: Net sales, costs and expenses, net income, and profit ratios, annual 1947-50, by quarters 1950-51

Year and quarter	Net sales	Costs, expenses, and other deductions	Net income: Before Federal income tax	Net income: After Federal income tax	Profit per dollar of sales: Before Federal income tax	Profit per dollar of sales: After Federal income tax	Profit as percentage of stockholders' equity (annual basis): Before Federal income tax	Profit as percentage of stockholders' equity (annual basis): After Federal income tax
	Million dollars	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	2,463	178	109	6.7	4.1	16.6	10.1
1948	3,081	2,824	257	159	8.3	5.2	22.0	13.7
1949	3,061	2,811	250	156	8.2	5.1	20.2	12.6
1950	3,129	2,849	281	152	9.0	4.9	21.3	11.5
1950								
1	703	652	52	32	7.4	4.6	16.4	10.0
2	775	712	63	39	8.1	5.0	19.2	12.0
3	839	754	85	45	10.1	5.4	25.2	13.2
4	812	731	81	36	10.0	4.4	24.4	10.8
1951								
1	751	683	68	32	9.1	4.3	20.4	9.6
2	828	759	69	34	8.3	4.1	20.4	10.0

Bureau of Agricultural Economics. Compiled and adapted from Quarterly Industrial Financial Report Series of Federal Trade Commission and Securities and Exchange Commission.

Table 20.- Tobacco: Acreage and yield per acre for specified periods

Period	Flue-cured 11-14	Fire-cured 21-24	Burley 31	Maryland 32	Dark air-cured 35-37	Cigar: Filler 41-45 1/	Cigar: Binder 51-56 1/	Cigar: Wrapper 61-62	United States 2/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average:									
1925-29	960	214	336	31	77	64	62	10	1,756
1930-34	868	190	438	37	59	58	48	8	1,706
1935-39	981	128	371	37	43	42	34	10	1,647
1940-44	822	80	390	39	37	43	38	10	1,461
1945	1,079	61	512	35	44	39	41	11	1,822
1946	1,189	92	489	50	41	43	48	12	1,963
1947	1,161	84	420	48	35	44	46	14	1,853
1948	884	63	432	47	30	45	40	15	1,555
1949	935	60	453	50	32	45	39	16	1,631
1950 3/	958	53	411	50	29	47	42	14	1,604
1951 3/	1,098	52	464	51	28	43	36	14	1,785
	Yield per acre								
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Average:									
1925-29	698	780	798	778	792	1,122	1,288	1,060	773
1930-34	733	786	782	677	811	1,075	1,395	1,014	786
1935-39	876	810	839	769	842	1,273	1,462	955	883
1940-44	992	954	1,036	761	999	1,363	1,528	989	1,021
1945	1,088	951	1,127	525	988	1,281	1,529	1,001	1,094
1946	1,137	1,189	1,256	925	1,215	1,504	1,551	1,000	1,182
1947	1,135	1,024	1,153	795	1,054	1,429	1,527	992	1,139
1948	1,233	1,170	1,396	750	1,163	1,566	1,528	998	1,274
1949	1,191	1,193	1,235	825	1,120	1,549	1,583	1,108	1,209
1950 3/	1,312	1,088	1,210	800	998	1,517	1,561	1,103	1,267
1951 4/	1,286	1,192	1,221	850	1,131	1,552	1,482	1,109	1,260

1/ From 1936 to 1939, type 45 (filler) supplanted by type 56 (binder).
2/ Includes miscellaneous types.
3/ Preliminary.
4/ Indicated as of October 1.

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